

ST. FRANCIS XAVIER UNIVERSITY  
ENDOWMENT FUND

INVESTMENT COMMITTEE REPORT  
FOR THE QUARTER ENDED  
MARCH 31, 2026



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# Executive Summary – Capital Markets

## Market Overview

- During the first quarter of 2026, the Bank of Canada held the policy interest rate at 2.25%. The FOMC also maintained the target federal funds rate range for the period, at 3.5% to 3.75%.
- In Canada, bond yields rose over the quarter with short-term rates increasing more than long-term rates, resulting in a slightly flattened yield curve.
- Equity markets were volatile over the quarter, as all major markets were impacted by geopolitical conflict, rising global tensions, and increasing energy prices.
- During the latter half of the first quarter, gold and silver prices experienced volatility, with both decreasing from their previous highs in January. Geopolitical tensions in the Middle East increased the price of oil to over US \$100 a barrel.

## Canadian Equities

- The S&P/TSX Composite Index returned 3.9% in the first quarter of 2026.
- Five of the 11 GIC sectors performed positively during the quarter. The Energy sector, which returned 30.1%, was the main driver of positive return for the Index this quarter.
- The MSCI Canada Value index outperformed the MSCI Canada Growth index over the quarter and over the 1-year trailing period.
- The top 10 S&P/TSX Composite Index holdings accounted for 35.9% of the index; Royal Bank of Canada was the top holding at 6.7%, followed by The Toronto-Dominion Bank at 4.7% and Shopify at 4.3%.

# Executive Summary – Capital Markets

## Canadian Bond Market

- During the first quarter, the FTSE Canada Universe Bond Index returned 0.2%. Over the year, the bond index returned 0.8%.
- In Canada, yields increased over all maturities for the quarter. The yield curve flattened slightly, as short-term rates increased more than longer-term rates.

## Foreign Equities

- The S&P 500 returned -2.6%, in CAD terms, and -4.3%, in USD terms, in the first quarter of 2026. Six of the 11 GIC sectors produced positive returns during the quarter. Energy, returning 40.7%, was the best performing sector over the quarter. The highest weighted sector, Information Technology (32.9% by weight), returned -7.6% over the quarter, one of the lowest sector returns in the index. Growth stocks underperformed against value stocks over the quarter but outpaced value over the 1-year trailing period. Mega cap securities that had dominated market performance over the past year were the main detractors over the quarter. The top 10 S&P 500 Index holdings accounted for 36.5% of the index; Nvidia Corp was the top holding representing 7.6%, followed by Apple Inc at 6.7% and Microsoft Corp at 4.9%.
- The MSCI EAFE Index (\$CDN) returned 0.5% in the first quarter of 2026 and 17.6% over the 1-year trailing period. Five of the 11 GIC sectors were positive over the quarter. Energy was the top performing sector by a significant margin, followed by Utilities and Materials. Japan, the highest weighted country in the index, posted a return of 3.4% for the quarter and 22.2% for the 1-year trailing period.
- The MSCI EM Index (\$CDN) returned 1.6% in Q1 2026 and 25.6% over the 1-year trailing period. Five of the 11 GIC sectors were positive over the quarter. Information Technology and Energy were the top performing sectors, returning 13.3% and 13.0%, respectively. China, which has the highest weighting in the index, posted a return of -7.1% for the quarter and 0.8% for the 1-year trailing period.

# Executive Summary – Return Information

Outlined below is the summary of return information for the St. Francis Xavier University Endowment Fund measured against its policy index. Returns for the managers of the funds and key market indices are also provided. All information is for the period ended March 31, 2026.

Performance Summary	Annualized Performance		
	MRQ	1 Year	4 Year
<b>Total Portfolio</b>			
St FX Endowment Fund	0.5	15.3	10.9
Benchmark Portfolio	1.2	19.1	11.2
<b>Active Managers</b>			
TDAM Canadian Equity	2.5	21.4	10.8
CI Canadian Equity	1.4	19.7	12.4
TDAM Greystone Mortgages	1.2	4.7	5.9
Crestpoint Real Estate <sup>1</sup>	0.0	4.9	3.1
IFM Investors	2.0	8.2	8.9
Xaverian Capital	2.0	16.4	8.6
<b>Index</b>			
S&P/TSX Composite	3.9	34.8	14.0
FTSE CA Universe Bond	0.2	0.8	2.1
S&P 500 (C\$)	-2.6	14.2	14.3
MSCI EAFE (C\$)	0.5	17.6	12.8
MSCI EM (C\$)	1.6	25.6	10.9

<sup>1</sup> 2026 Q1 statement not yet available

# Executive Summary – St FX Endowment Fund Assets

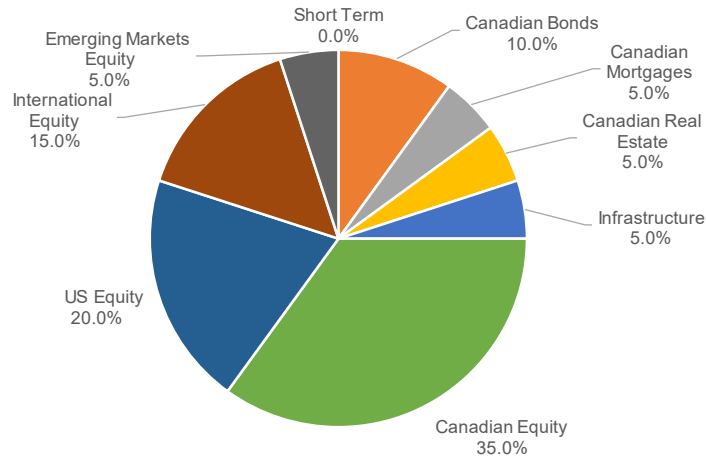
	2024-25	2025-26
Assets Under Admin - Beginning	207,529,006	228,630,158
Contributions		
Donations	3,730,002	20,939,617
Reinvested/Unendowed (Capital Funds)	258,737	647,083
	3,988,739	21,586,700
Earned Income		
Dividends	1,579,503	1,332,863
Interest	1,000,550	1,156,769
Realized Gains/Losses	10,314,128	15,287,679
Other	3,775,733	8,982,655
	16,669,914	26,759,965
Unrealized Gains/Loss	11,197,574	8,208,369
Withdrawals		
Annual Payout	(7,400,000)	(8,000,000)
Advancement Alloc (0.75% Levy)	(1,715,000)	(983,140)
Comp. Fundraising Campaign	(806,408)	(2,020,000)
	(9,921,408)	(11,003,140)
Expenses		
Custodial/Performance Mgmt	(436,869)	(181,129)
Investment Management	(396,797)	(772,233)
	(833,667)	(953,362)
Assets Under Admin - Ending	228,630,158	273,228,689

# Executive Summary - Administration

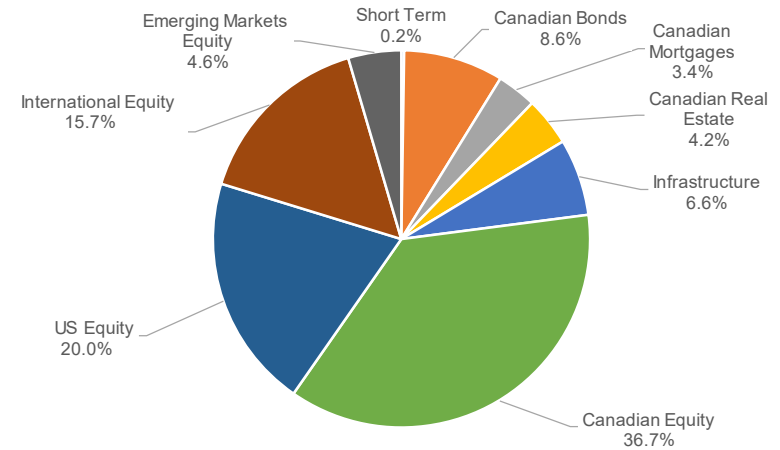
- Total Endowment balance as of March 31, 2026 was \$273.2 million. This is approximately \$ 4.2 million more than the amount in the Ellement Report.
- The differences are due to timing and \$3.8 million cash in transit, some recording adjustments and timing differences with entries.
- Investment returns for the quarter were up by 0.5% which is 0.7% behind the custom benchmark. For the full year, the return was up 15.3% which is 3.8% behind the custom benchmark 19.1%.
- The underperformance was largely driven by Canadian Equity.
- There are no compliance issues within the Endowment Fund investments.
- The current asset mix is in-line with the targets set in the Board approved Statement of Investment Policies and Procedures.

# Asset Allocation and Compliance – St FX Endowment Funds

## Benchmark Portfolio



## Actual Asset Mix



Asset Class	Range	Actual	Target	Compliant
Short Term	0 - 15%	0.2%	0.0%	Yes
Canadian Bonds	5 - 25%	8.6%	10.0%	Yes
Canadian Mortgages	0 - 10%	3.4%	5.0%	Yes
Canadian Real Estate	0 - 10%	4.2%	5.0%	Yes
Infrastructure	0 - 10%	6.6%	5.0%	Yes
Canadian Equity	20 - 45%	36.7%	35.0%	Yes
Foreign Equity	25 - 50%	40.3%	40.0%	Yes
US Equity	10 - 30%	20.0%	20.0%	Yes
International Equity	10 - 30%	15.7%	15.0%	Yes
Emerging Markets Equity	0 - 15%	4.6%	5.0%	Yes

# Performance Measurement – St FX Endowment Fund

The following performance objectives have been established for the benchmark portfolio:

- to achieve, with a high degree of consistency, a rate of return at least equal to the rate of inflation over both short-term and long-time periods;
- to achieve, with reasonable consistency, a real rate of return at least 3.0% after expenses and a nominal return of 5.0% after expenses, as calculated on an annualized basis and over moving four-year time periods.

Performance Summary						Annualized Performance			
	Market Value	MRQ	Rk	YTD	Rk	1 Year	Rk	4 Year	Rk
<b>Total Fund<sup>1</sup></b>	<b>\$268,982,045</b>	0.5	15	0.5	15	15.3	15	10.9	15
Custom Benchmark <sup>2</sup>		1.2	8	1.2	8	19.1	1	11.2	15
<b>Value Added<sup>3</sup></b>		<b>(0.7)</b>		<b>(0.7)</b>		<b>(3.8)</b>		<b>(0.3)</b>	
Custom Benchmark <sup>4</sup>		1.2	8	1.2	8	19.1	1	11.2	15
Canadian CPI + 3%		1.0	34	1.0	34	4.8	67	6.2	70
Median		-0.6		-0.6		11.3		9.0	

1 Total Fund Market Value includes Cash & Short Term

2 Custom Benchmark: 35% S&P/TSX Composite Index, 15% FTSE Canada Universe Bonds, 5% Realpac/IPD Property Fund Index (lag), 5% CPI + 5%, 20% S&P 500 (C\$) Index, 15% MSCI EAFE (C\$) Index, and 5% MSCI EM (C\$) Index.

Custom Benchmark up to April 1, 2020: 40% S&P/TSX Composite Index, 15% FTSE Canada Universe Bond, 5% Realpac/IPD Property Fund Index (lag) and 40% MSCI World (C\$) Index.

Custom Benchmark up to December 31, 2019: 40% S&P/TSX Composite Index, 20% FTSE Canada Universe Bond and 40% MSCI World (C\$)

Custom Benchmark up to August 31, 2019: 40% S&P/TSX Composite Index, 15% FTSE Canada Universe Bond and 45% MSCI World (C\$)

Custom Benchmark up to November 30, 2018: 70% S&P/TSX Composite Index, 15% FTSE Canada Universe Bond and 15% MSCI World (C\$)

Custom Benchmark up to June 30, 2015: 100% S&P/TSX Composite Index

3 All calculations are performed on unrounded figures. Rounding issues may arise.

4 Canadian CPI is lagged one month.

- The Total Fund return for Q1 2026 was 0.5%, underperforming its custom benchmark but ranking top quartile within the peer universe.

# Performance Measurement – Fund Managers

Performance Summary						Annualized Performance			
Total Portfolio	Market Value	MRQ	Rk	YTD	Rk	1 Year	Rk	4 Year	Rk
<b>Canadian Bonds</b>	<b>\$ 23,044,156</b>	<b>0.2</b>	<b>57</b>	<b>0.2</b>	<b>57</b>	<b>0.9</b>	<b>85</b>	<b>2.1</b>	<b>95</b>
TDAM Bonds	\$ 23,044,156	0.2	57	0.2	57	0.9	85	2.1	95
FTSE CA Universe Bond		0.2	65	0.2	65	0.8	90	2.1	100
<b>Canadian Mortgages</b>	<b>\$ 9,141,294</b>	<b>1.2</b>	<b>13</b>	<b>1.2</b>	<b>13</b>	<b>4.7</b>	<b>25</b>	<b>5.9</b>	<b>25</b>
TDAM Greystone Mortgages	\$ 9,141,294	1.2	13	1.2	13	4.7	25	5.9	25
FTSE CA Universe Bond		0.2	88	0.2	88	0.8	100	2.1	100
<b>Canadian Real Estate</b>	<b>\$ 11,196,637</b>	<b>0.0</b>	<b>100</b>	<b>0.0</b>	<b>100</b>	<b>4.9</b>	<b>13</b>	<b>3.1</b>	<b>13</b>
Crestpoint Real Estate <sup>1</sup>	\$ 11,196,637	0.0	100	0.0	100	4.9	13	3.1	13
IPD Property Index		0.0	100	0.0	100	1.3	63	1.6	13
<b>Infrastructure</b>	<b>\$ 17,739,852</b>	<b>2.0</b>		<b>2.0</b>		<b>8.2</b>		<b>8.9</b>	
IFM Investors	\$ 17,739,852	2.0		2.0		8.2		8.9	
CPI + 5.0%		1.5		1.5		6.9		8.3	
<b>Canadian Equity</b>	<b>\$ 98,833,812</b>	<b>2.0</b>	<b>69</b>	<b>2.0</b>	<b>69</b>	<b>20.5</b>	<b>79</b>	<b>11.6</b>	<b>66</b>
CI Canadian Equity	\$ 48,734,509	1.4	76	1.4	76	19.7	83	12.4	54
TDAM Canadian Equity	\$ 49,230,619	2.5	62	2.5	62	21.4	79	10.8	83
Xaverian Capital	\$ 868,685	2.0	69	2.0	69	16.4	95	8.6	96
S&P/TSX Composite		3.9	42	3.9	42	34.8	25	14.0	31
<b>US Equity</b>	<b>\$ 53,928,820</b>	<b>(2.6)</b>	<b>50</b>	<b>-2.6</b>	<b>50</b>	<b>14.2</b>	<b>29</b>	<b>14.3</b>	<b>22</b>
BlackRock	\$ 53,906,476	-2.6	50	-2.6	50	14.2	29	14.3	22
S&P 500 (C\$)		-2.6	50	-2.6	50	14.2	25	14.3	22
<b>International Equity</b>	<b>\$ 42,227,395</b>	<b>0.7</b>	<b>45</b>	<b>0.7</b>	<b>45</b>	<b>17.8</b>	<b>35</b>	<b>12.9</b>	<b>35</b>
BlackRock	\$ 42,227,395	0.7	45	0.7	45	17.8	35	12.9	35
MSCI EAFE (C\$)		0.5	50	0.5	50	17.6	35	12.8	38
<b>Emerging Markets</b>	<b>\$ 12,270,033</b>	<b>2.2</b>	<b>65</b>	<b>2.2</b>	<b>65</b>	<b>26.5</b>	<b>62</b>	<b>10.9</b>	<b>70</b>
BlackRock	\$ 12,270,033	2.2	65	2.2	65	2.2	62	10.9	70
MSCI EM (C\$)		1.6	78	1.6	78	1.6	69	10.9	72

All calculations on unrounded figures. Rounding issues may arise.

<sup>1</sup> 2026 Q1 statement not available

# Performance Measurement – Fund Managers

- Canadian bond yields increased over all maturities for the quarter. The curve flattened slightly, as short-term rates increased more than longer-term rate, leading to a slightly positive return from FTSE CA Bond Universe. Canadian Mortgages returned 1.2% during the quarter, outperforming the FTSE CA Bond Universe by 1.0%. The TD Greystone Mortgage Fund has outperformed its benchmark and ranked top quartile in its peer universe over the 1- and 4- year trailing periods.
- The Fund's Canadian Equity allocation returned 2.0% during the quarter, underperforming the S&P/TSX by 2.0% and ranking in the third quartile. Over the 1-year trailing period, Canadian equity earned a strong absolute return of 20.5% but lagged its benchmark by 14.3%, in what has been a challenging market for active managers with the benchmark being driven largely by performance in the Materials and Energy sectors. Over the 4-year trailing period, the Fund's Canadian equity asset class lags the benchmark by 2.3%.
  - During the first quarter of 2026, CI Investments returned 1.4%, underperforming its benchmark by 2.5%. Over the past year, the Fund has lagged its benchmark by 15.2%. An overweight to Industrials and underweight to Materials has hurt the Fund, but stock selection across sectors has also been an issue. The Fund remains near its peer universe median over the 4 and 7-year trailing periods.
  - TD's Low Volatility Canadian Equity Fund returned 2.5% during the quarter, underperforming the benchmark by 1.4%. Over the past year, the Fund has lagged its benchmark by 13.5% as it did not keep pace with the bull market that was largely led by the more volatile sectors like Materials and Energy.
- The Blackrock US Equity, International Equity and Emerging Market Equity returned -2.6%, 0.7% and 2.2%, respectively. All three funds are passively managed by Blackrock.
- During the first quarter, IFM returned 2.0%. Over the 4-year trailing period the Fund continues to produce high single digit returns. At the time that this report was prepared, the Crestpoint 2026 Q1 statement was not available. Crestpoint is the top performer in the Canadian real estate universe over the 1 and 4-year trailing periods.